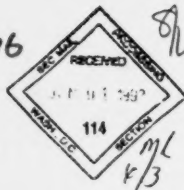




021292
0-35914

3
92-2276



Securities and Exchange Commission
Washington, D.C. 20549

FORM 10 - Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For quarter ended February 29, 1992 Commission file number 98-0058505

Golden Quail Resources, Ltd.
(Exact name of registrant as specified in its charter)

Province of British Columbia, Canada
(State or other jurisdiction of
or organization)

98-0058505
(I.R.S. Employer
Identification No.)

2141 Palomar Airport Rd., Suite 160
Carlsbad, California
(Address of principal executive offices)

92009
(Zip Code)

Registrant's telephone number, including area code (619) 438-3300

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X

No _____

As of February 29, 1992, the registrant has 12,198,301 shares of common stock, without par value, outstanding.

PROCESSED BY

JUN 4 1992

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

L38

BEST COPY
AVAILABLE

PART I

Item 1. Financial Statements

Consolidated Balance Sheets as of February 29, 1992 (Unaudited) and February 28, 1991 (Unaudited).

Consolidated Statements of Operations and Deficit accumulated during the development stage for the three months and nine months ended February 29, 1992 and 1991 (Unaudited).

Consolidated Statements of Cash Flows for the nine months ended February 28, 1992 and 1991 (Unaudited).

Notes to the consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

PART II

Item 6. Exhibits and Reports on Form 8-K

- a) Exhibits - None
- b) No form 8K reports were filed by the Registrant during the quarter ended February 29, 1992.

GOLDEN QUAIL RESOURCES LTD.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(Stated in U.S. Dollars)

	February 29 1992 (Unaudited) \$	February 28 1991 (Unaudited) \$
CURRENT ASSETS		
Cash	1,735	7,255
Receivables	16,532	12,686
Funds in trust	100,750	156,199
Marketable securities	-	77,680
Sundry deposits	3,000	5,600
Due from related company	-	44,560
Agreement receivable	637,500	-
Due from a director	22,949	-
INVESTMENTS	782,466	303,980
	757,100	-
PROPERTY, PLANT AND EQUIPMENT, at cost less accumulated depreciation	156,834	2,086,582
INTEREST IN MINERAL AND PETROLEUM PROPERTIES and related exploration and development expenditures	1,791,646	1,967,350
	2,988,046	4,357,912
CURRENT LIABILITIES		
Accounts payable and accruals	137,370	129,434
Due to related company	139,389	-
Current portion of long term debt	100,000	-
	376,759	129,434
LONG TERM DEBT	260,000	200,000
	636,759	329,434
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 2)	8,636,037	8,309,050
DEFICIT, accumulated during the development stage	(6,284,750)	(4,280,572)
	2,351,287	4,028,478
	2,988,046	4,357,912
APPROVED BY THE BOARD:		
<i>William A. Schott</i> Director		
<i>Colin B. Smith</i> Director		

GOLDEN QUAIL RESOURCES LTD.

(A Development Stage Company)

CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT

ACCUMULATED DURING THE DEVELOPMENT STAGE

(Stated in U.S. Dollars)

(Unaudited)

	3 months to Feb 29 1992	3 months to Feb 28 1991	9 months to Feb 29 1992	9 months to Feb 28 1991	Cumulative from date of Incorporation (May 29, 1963) Feb 29 1992
	\$	\$	\$	\$	\$
GENERAL AND ADMINISTRATIVE EXPENDITURES					
Accounting and audit	2,500	850	9,893	8,450	164,791
Bad debts	-	-	-	-	29,328
Bank charges, interest, exchange	3,481	242	17,495	291	772,321
Consulting, finder's fees	-	100,000	153,262	100,000	329,102
Legal	(677)	13,695	41,944	16,695	387,164
Management, consulting, secretarial services	10,898	28,408	40,936	71,107	563,914
Office stationery, rent, printing, sundry	30,089	22,427	99,935	68,326	496,786
Public relations	13,599	7,961	45,162	7,961	99,662
Transfer agent and regulatory	8,328	4,976	24,282	9,734	142,095
Travel and promotion	4,245	17,494	89,672	36,740	398,393
Unclassified	-	-	-	-	61,341
	72,463	196,053	522,581	319,304	3,444,897
Less: Interest and exchange income	(6)	-	(346)	(1,216)	(161,321)
	72,457	196,053	522,235	318,088	3,283,576
OTHER CHARGES (CREDITS)					
Write-off of exploration expenditures	-	-	-	-	1,170,067
Incorporation and re-organization costs	-	-	-	-	27,052
Loss (gain) on disposal of capital assets	-	-	-	-	1,188,484
Loss (gain) on marketable securities	(11,585)	-	(12,328)	-	59,673
Depreciation and amortization (net)	3,088	-	7,926	-	39,967
Oil and gas revenue	(1,274)	(1,167)	(2,388)	(1,167)	(34,382)
Loss on gold processing operations	-	-	-	-	458,955
Loss on commodity trading	-	-	-	-	53,368
Mill office expenses	-	-	-	-	37,990
	(9,771)	(1,167)	(6,790)	(1,167)	3,001,174
NET LOSS	62,686	194,886	515,445	316,921	6,284,750
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE - BEGINNING OF PERIOD					
	6,222,064	4,085,686	5,769,305	3,963,651	-
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE - END OF PERIOD					
	6,284,750	4,280,572	6,284,750	4,280,572	6,284,750

GOLDEN QUAIL RESOURCES LTD.

(A Development Stage Company)

CONSOLIDATED STATEMENT OF CHANGES IN CASH POSITION

ACCUMULATED DURING THE DEVELOPMENT STAGE

(Stated in U.S. Dollars)

(Unaudited)

	3 months to Feb 29 1992	3 months to Feb 28 1991	9 months to Feb 29 1992	9 months to Feb 28 1991	Cumulative from date of Incorporation (May 29, 1963) Feb 29 1992
	\$	\$	\$	\$	\$
CASH (FOR) OPERATIONS					
Net loss	(62,686)	(194,894)	(515,445)	(316,929)	(6,284,750)
Add (deduct) items not requiring use of funds					
Depreciation and amortization	3,088	-	7,926	-	39,966
Write-off of exploration expenditures and property costs	-	-	-	-	1,170,742
Write-off of incorporation and re-organization costs	-	-	-	-	27,052
Loss on disposal of capital assets	-	-	-	-	1,188,484
	<u>(59,598)</u>	<u>(194,894)</u>	<u>(507,519)</u>	<u>(316,929)</u>	<u>(3,858,506)</u>
(Increase) decrease in receivables	(9,106)	(43,660)	(5,961)	(2,662)	(16,532)
Decrease in marketable securities	-	(67,680)	-	(77,680)	-
Funds held in trust	-	(156,199)	54,250	(156,199)	(100,750)
Exploration advances	-	350,000	-	-	-
Agreement receivable	-	-	(637,500)	-	(637,500)
Other current assets	10,467	-	61,767	-	(25,949)
Increase (decrease) in current liabilities	<u>109,207</u>	<u>(17,410)</u>	<u>76,161</u>	<u>(122,548)</u>	<u>376,759</u>
	<u>50,970</u>	<u>(129,843)</u>	<u>(958,802)</u>	<u>(676,018)</u>	<u>(4,262,478)</u>
CASH FROM (FOR) INVESTING ACTIVITIES					
Acquisition of capital assets	-	(890)	(18,000)	(890)	(2,156,261)
Interest in mineral, oil and gas properties	(11,987)	(285,028)	109,352	(285,028)	(776,447)
Exploration expenditures	-	-	-	-	(2,206,625)
Incorporation and organization costs	-	-	-	-	(27,052)
Disposal of capital assets	-	-	750,000	-	791,661
Acquisition of investment, net	43,535	-	(186,955)	-	(257,100)
	<u>31,548</u>	<u>(285,918)</u>	<u>654,397</u>	<u>(285,918)</u>	<u>(4,631,824)</u>
CASH FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	4,879	80,864	326,987	445,472	8,636,037
Increase (decrease) in long-term debt	<u>(100,000)</u>	<u>200,000</u>	<u>(100,000)</u>	<u>200,000</u>	<u>260,000</u>
	<u>(95,121)</u>	<u>280,864</u>	<u>226,987</u>	<u>645,472</u>	<u>8,896,037</u>
NET INCREASE (DECREASE) IN CASH	<u>(12,603)</u>	<u>(134,897)</u>	<u>(77,418)</u>	<u>(316,464)</u>	<u>1,735</u>
CASH - BEGINNING OF PERIOD	<u>14,338</u>	<u>142,152</u>	<u>79,153</u>	<u>323,719</u>	<u>-</u>
CASH - END OF PERIOD	<u>1,735</u>	<u>7,255</u>	<u>1,735</u>	<u>7,255</u>	<u>1,735</u>

GOLDEN QUAIL RESOURCES LTD.

(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in U.S. Dollars)

(Unaudited)

1. The Company and Basis of Financial Statements - Nature of Operations

Golden Quail Resources Ltd., a company incorporated in Canada in 1963, is engaged in the exploration and development of mineral properties. Gold bearing deposits have been found to exist on the Company's principal mineral properties located in California and, accordingly, the development of the properties commenced. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred expenditures are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production.

These financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results of operations for the three months ended February 29, 1992 and February 28, 1991.

Figures are presented in U.S. Dollars, unless otherwise stated.

2. SHARE CAPITAL

The following is a summary of share capital issued (authorized shares 50,000,000) from date of incorporation (May 29, 1963) to February 29, 1992:

	Number of Shares Issued	Value \$
Common stock issued for cash	6,980,224	4,933,314
Common stock issued for considerations other than cash	4,282,634	3,375,736
Balance - May 31, 1991 (Audited)	11,182,858	8,309,050
Common stock issued for services	153,610	57,006
Common stock issued for receivables	24,663	8,874
Common stock issued for cash	837,170	261,047
Balance - February 29, 1992 (Unaudited)	12,198,301	8,646,037

MANAGEMENT DISCUSSION

The Registrant, a development stage company, is inactive and as such has received no substantial revenues. The loss for the three months ended February 29, 1992 is primarily attributed to the funding of expenditures required to continue its general corporate and administrative functions.

In 1990, the Registrant entered into a joint venture agreement with Golden Hemlock Explorations, Ltd., a British Columbia corporation (VSE). Under the agreement, Golden Hemlock must spend \$2,700,000 (Canadian) over 4 years on the project, issue the Registrant 100,000 shares of its common stock and pay the Registrant a total of \$200,000 (U.S. funds) (in three equal cash payments) to earn a 50% interest in its recently acquired claims in the Yukon Territory, Canada. Some work was carried out on this project during 1991.

The Registrant has negotiated a second agreement with Golden Hemlock whereby Golden Hemlock can earn a 50% interest in the open pit, heap leach "Golden Quail" property in San Bernardino County, California. To earn the interest Golden Hemlock has the option to spend \$1,500,000 over three years, inter alia. Drilling commenced on this prospect during July of 1991.

The Registrant successfully completed the first phase of drilling in 1991 and in February of 1992 obtained permits for the second phase of drilling. The results of the 1992 drill program will be released as they become available.

The ultimate success of these ventures and the commencement of commercial operations is dependent on several factors including the market price of gold.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GOLDEN QUAIL RESOURCES, LTD.

DATE: 5/26/92

SIGNATURE: Michael A. Schaffer

Michael A. Schaffer
President and Principal Financial
Officer